REMARKS

1.   Applicant thanks the Examiner for the Examiner's comments which have greatly assisted Applicant in responding.

Applicant has canceled Claim 84 and amended Claims 74 and 83. It should be noted that Applicant has elected to amend said Claim solely for the purpose of expediting the patent application process in a manner consistent with the PTO's Patent Business Goals, 65 Fed. Reg. 54603 (9/8/00). In making this amendment, Applicant has not and does not in any way narrow the scope of protection to which Applicant considers the invention herein to be entitled and does not concede, in any way, that the subject matter of such Claim was in fact taught or disclosed by the cited prior art. Rather, Applicant reserves Applicant's right to pursue such protection at a later point in time and merely seeks to pursue protection for the subject matter presented in this submission.

2.   Oath/Declaration. The Examiner has stated that the oath or declaration is defective. Applicant submits herewith a new oath/declaration that identifies the mail or post office address of each inventor.

3.   35 U.S.C. § 112. The Examiner has rejected Claim 74 under 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which the applicant regards as the invention. Applicant has amended Claim 74 as to address the Examiner's comments. Therefore, Applicant respectfully requests that the Examiner withdraw the rejection under 35 U.S.C. §112, second paragraph.

4.   35 U.S.C. §103(a). The Examiner has rejected Claims 1-30 under 35 U.S.C. §103(a) as being unpatentable over Deming (U.S. Patent number 4,823,264) and PayPal website.

Applicant respectfully disagrees.

Claim 1 appears as follows:

1.   A method of electronically transferring funds from a sender to a receiver, comprising:

receiving from the sender an amount of a funds transfer, a designation of a source account for the funds transfer, and contact information of the receiver sufficient for contacting the receiver, without receiving from the sender a designation of a target account of the receiver;

receiving from the receiver the designation of the target account for receiving the funds from the sender; and

instructing an automated clearinghouse (ACH) member to effect a number of ACH entries to cause the transfer of funds from the source account to the target account.

In particular, Deming does not teach or disclose a system that receives from the receiver the designation of the target account for receiving the funds from the sender as claimed in the invention. Deming does not contemplate such a system. Deming is electronic transfer system whose purpose is to address home banking transfers. Deming states in col. 2, lines 17-24:

"The present invention is a method which will permit an individual to electronically transfer funds from the individual's account which is maintained at a financial institution to either: (a) the financial institution of the person or entity to be paid; (b) directly to the person or entity to be paid; or (c) to a credit printing facility which would generate a paper check for transmission, such as mailing, to the person or entity to be paid."

Deming is a payor-oriented system that operates on the payor's computer. No interaction with the payee is contemplated.

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Deming states in col. 1, lines 33-34:

> "The system comprises a means for a payor to designate payor and payee information."

Deming also states in col. 2, lines 40-44:

> "A payor starts by entering pertinent payor and payee information including a transaction amount for the electronic transfer of funds, from payor's account code to payee's account code, into a personal computer having a program able to accept such information."

Because the payor works on his personal computer to enact electronic transfers for home banking, the payor must know all of the information required to successfully execute such a transaction. The system cannot and does not interact with the payee. It is an on-demand electronic transfer system that is controlled by the payor. Col. 2, line 66-col. 3, line 2 state;

> "The pertinent payor and payee information entered by the payor into payor's personal computer, having software able to accept and process such pertinent payor and payee information, is then transferred to a centralized receiving facility or data collector station."

Therefore, Deming does not contemplate receiving from the receiver the designation of the target account for receiving the funds from the sender as claimed in the invention. Deming teaches away from such a system by specifying that a payor must enter the pertinent payor and payee information into the payor's personal computer.

A unique feature of the present invention protects the payee's information from the payor. The payee's confidential account information remains private and is not revealed to the payor, thereby preventing different types of fraud.

Combining Deming with PayPal as the Office Action suggests would not result in the claimed invention.

Therefore, Deming and PayPal do not teach or disclose the invention as claimed.

Claim 1 is in allowable condition. Claims 2-30 are dependent upon independent Claim 1. Therefore, Applicant respectfully requests that the Examiner withdraw the rejection under 35 U.S.C. §103(a).

5. 35 U.S.C. §103(a). The Examiner has rejected Claims 31-58, 60-61, and 63-101 under 35 U.S.C. §103(a) as being unpatentable over Deming (U.S. Patent number 4,823,264) and PayPal website and further in view of Williams (U.S. Patent number 6,119,105).

Applicant respectfully disagrees.

Claims 31-58, 60-61, 63-65:

The rejection of Claims 31-58, 60-61, 63-65 under 35 U.S.C. §103(a) is deemed moot in view of Applicant's comments concerning Claim 1, above. Claims 31-58, 60-61, 63-65 are dependent upon Claim 1, which is in allowable condition. Therefore, Applicant respectfully requests that the Examiner withdraw the rejection under 35 U.S.C. §103(a).

Claims 66-70:

Analogous to the discussion relating to Claim1, above, Deming does not teach, disclose, or contemplate a system that receives from the business receiver the designation of the target account for receiving the funds for payment of bills as claimed in the invention.

Claim 66 is therefore in allowable condition. Claims 67-70 are dependent upon independent Claim 66. Therefore, Applicant respectfully requests that the Examiner withdraw the rejection under 35 U.S.C. §103(a).

Claim 71:

Deming does not teach, disclose, or contemplate a system that electronically transmits the source account designation of the sender and the amount of the funds transfer to the business receiver to effect a number of automated clearinghouse entries to cause the funds transfer for the amount from the source account of the sender to the target account of the business receiver as claimed in the invention. As discussed above, Deming teaches a payor-centric system.

Deming does not have the ability to electronically transmit the source account designation of the sender and the amount of the funds transfer to the business receiver. Deming further does not have the ability to allow a business receiver to effect a number of automated clearinghouse entries to cause the funds transfer for the amount from the source account of the sender to the target account of the business receiver. Deming therefore does not contemplate the invention as claimed.

Neither PayPal or Williams teach, disclose, or contemplate the invention as claimed.

Claim 71 is therefore in allowable condition. Therefore, Applicant respectfully requests that the Examiner withdraw the rejection under 35 U.S.C. §103(a).

Claim 72:

Deming does not teach, disclose, or contemplate a system with two stages as claimed in the invention. The first stage provides the source account designation of the **sender** and a target account designation of a **third party** to an automated clearinghouse (ACH) member and instructing the ACH member to effect an ACH entry

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to debit the amount of the funds transfer from the **send r's** source account to the **third party's** target account.

The second stage provides the **business receiver** with the amount of the funds transfer and the **third party's** financial account designation to allow the **business receiver** to effect an ACH entry to debit of the amount of the funds transfer from the **third party's** financial account to a target account of the business receiver.

As described above, Deming teaches that a payor enters all information on his personal computer. The ACH is passed the information and it performs that transfer from payor to payee. Deming does not protect the payor and payee information. The claimed invention allows the third party to be the middle man in a transfer, thereby protecting sensitive payor/payee information. Therefore, Deming does not teach or disclose the invention as claimed.

Neither PayPal or Williams teach, disclose, or contemplate the invention as claimed.

Claim 72 is in allowable condition. Therefore, Applicant respectfully requests that the Examiner withdraw the rejection under 35 U.S.C. §103(a).

Claims 73-79:

Deming does not teach, disclose, or contemplate a system that receives from the sender first current account activity information of a source account from which the funds are to be transferred, receives from an automated system second current account activity information of the source account, and comparing the first current account activity information with the second current account activity information to determine whether the activity information matches as claimed in the invention. Deming makes no mention of such a system. Therefore, Deming does not teach or disclose the invention as claimed.

Further, neither PayPal or Williams teach, disclose, or contemplate the invention as claimed.

Claim 73 is in allowable condition. Claims 74-79 are dependent upon independent Claim 73. Therefore, Applicant respectfully requests that the Examiner withdraw the rejection under 35 U.S.C. §103(a).

Claims 80 and 82:

In the same manner as mentioned for Claim 73, Deming does not teach, disclose, or contemplate a system that receives from a sender a check number and an amount for a check drawn on a source account from which the funds are to be transferred, provides the check number to an automated system to determine the amount of the check, and compares the amount of the check received from the sender with the amount for the check received from the automated system to determine whether the amounts match as claimed in the invention.

Deming makes no mention of such a system. Therefore, Deming does not teach or disclose the invention as claimed.

Further, neither PayPal or Williams teach, disclose, or contemplate the invention as claimed.

Claims 80 and 82 are in allowable condition. Therefore, Applicant respectfully requests that the Examiner withdraw the rejection under 35 U.S.C. §103(a).

Claim 81:

Deming does not teach or disclose a funds transfer service querying an automated system to determine a balance in the source account of the sender at the sender's financial institution, responsive to the balance being positive, continuing with a transfer

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of funds from the source account, and responsive to the balance being negative, terminating the transfer of funds from the source account as claimed in the invention.

Deming makes no mention of such a system. Therefore, Deming does not teach or disclose the invention as claimed. Further, neither PayPal or Williams teach, disclose, or contemplate the invention as claimed.

Claim 81 is in allowable condition. Therefore, Applicant respectfully requests that the Examiner withdraw the rejection under 35 U.S.C. §103(a).

Claims 83 and 84:

Claim 83 has been amended to clarify the invention and appears as follows:

> 83. A method for reducing the risk of an electronic funds transfer by a sender using an automated clearinghouse network wherein the sender is not the originator of the automated clearinghouse entries, the method comprising:
>
> querying an automated system to determine a balance in the source account of the sender;
>
> comparing the balance in the source account with an amount of the funds transfer by the sender;
>
> responsive to the balance exceeding the amount of the funds transfer, continuing with a transfer of funds from the source account only if the balance exceeds the amount of the funds transfer by at least a predetermined amount;
>
> responsive to the balance not exceeding the amount of the funds transfer, terminating the transfer of funds from the source account.

In particular, Deming does not teach or disclose a system that compares the balance in the source account with an amount of the funds transfer by the sender, responsive to the balance exceeding the amount of the funds transfer, continuing with a transfer of funds from the source account only if the balance exceeds the amount of the funds transfer by at least a predetermined amount as claimed in the invention.

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Deming does not contemplate such a system. Therefore, Deming does not teach or disclose the invention as claimed. Further, neither PayPal or Williams teach, disclose, or contemplate the invention as claimed.

Claim 83 is in allowable condition. Claim 84 has been canceled. Therefore, Applicant respectfully requests that the Examiner withdraw the rejection under 35 U.S.C. §103(a).

Claims 85 and 86:

Deming does not teach or disclose a system that responsive to a balance exceeding the amount of the funds transfer, instructs the ACH member to effect an ACH credit for the amount of the funds transfer to a target account of the receiver as claimed in the invention.

Deming does not contemplate such a system. Therefore, Deming does not teach or disclose the invention as claimed. Further, neither PayPal or Williams teach, disclose, or contemplate the invention as claimed.

Claim 85 is in allowable condition. Claim 86 is dependent upon independent Claim 85. Therefore, Applicant respectfully requests that the Examiner withdraw the rejection under 35 U.S.C. §103(a).

Claims 87 and 88:

Deming does not teach, disclose, or contemplate a system that receives via the internet from a seller a request to process a purchase by a purchaser, receiving via the internet from the purchaser a designation of a source account from which the purchase amount is to be transferred, receiving the amount of the purchase, and providing to an automated clearinghouse (ACH) member the source account designation and designation of a target account of the seller for receiving the purchase amount, and

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instructing the ACH member to effect a number of ACH entries to cause the transfer of the purchase amount from the source account of the purchaser to the target account of the seller as claimed in the invention.

As discussed above with respect to Claim 1, Deming is a payor-oriented system that operates on the payor's computer. No interaction with the payee, *i.e.*, seller, is contemplated. Therefore, Deming does not contemplate receiving via the internet from a seller a request to process a purchase by a purchaser.

Therefore, Deming does not teach or disclose the invention as claimed. Further, neither PayPal or Williams teach, disclose, or contemplate the invention as claimed.

Claim 87 is in allowable condition. Claim 88 is dependent upon independent Claim 87. Therefore, Applicant respectfully requests that the Examiner withdraw the rejection under 35 U.S.C. §103(a).

Claims 89 and 101:

Deming does not teach, disclose, or contemplate a system that receives from a receiver of a funds transfer a designation of a target account for the funds transfer as claimed in the invention.

As discussed above with respect to Claim 1, Deming is a payor-oriented system that operates on the payor's computer. No interaction with the payee, *i.e.*, receiver, is contemplated. Therefore, Deming does not teach or disclose the invention as claimed. Further, neither PayPal or Williams teach, disclose, or contemplate the invention as claimed.

Claims 89, 90, 97, 98, and 99 are in allowable condition. Claims 91-96 and 100-101 are dependent upon independent Claims 90 and 99, respectively. Therefore, Applicant respectfully requests that the Examiner withdraw the rejection under 35 U.S.C. §103(a).

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6.   35 U.S.C. §103(a). The Examiner has rejected Claims 59 and 62 under 35 U.S.C. §103(a) as being unpatentable over Deming (U.S. Patent number 4,823,264) and PayPal website and further in view of Kirk.

The rejection of Claims 59 and 62 under 35 U.S.C. §103(a) is deemed moot in view of Applicant's comments concerning Claim 1, above. Claims 59 and 62 are dependent upon Claim 1, which is in allowable condition.   Therefore, Applicant respectfully requests that the Examiner withdraw the rejection under 35 U.S.C. §103(a).

CONCLUSION

Based on the foregoing, Applicant considers the present invention to be distinguished from the art of record.   Accordingly, Applicant earnestly solicits the Examiner's withdrawal of the rejections raised in the above referenced Office Action, such that a Notice of Allowance is forwarded to Applicant, and the present application is therefore allowed to issue as a United States patent.

Respectfully Submitted,

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In Th Claims

Please cancel Claim 84 without prejudice.

Please amend Claims 74 and 83 as follows (Marked copy):

74.   (amended)   The method of claim [74] 73, wherein the current account activity information is account balance of the source account.

83.   (amended)   A method for reducing the risk of an electronic funds transfer by a sender using an automated clearinghouse network wherein the sender is not the originator of the automated clearinghouse entries, the method comprising:

    querying an automated system to determine a balance in the source account of the sender;

    comparing the balance in the source account with an amount of the funds transfer by the sender;

    responsive to the balance exceeding the amount of the funds transfer, continuing with a transfer of funds from the source account only if the balance exceeds the amount of the funds transfer by at least a predetermined amount; and

    responsive to the balance not exceeding the amount of the funds transfer, terminating the transfer of funds from the source account.